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Hong Kong

Livestock and Products

Hong Kong Temporarily Bans U.S. Raw Beef Products

2003

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Report Highlights:

Hong Kong reached a decision in the afternoon of December 24 to temporarily ban beef products from the United States with immediate effect. All products already on the water will not be affected. Hong Kong currently does not have any specific legislative regulations over processed meat products and animal feeds. As such, the Hong Kong government advised traders not to import from the United States processed beef and animal feed containing bone meal instead of imposing any ban on such products.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Hong Kong [HK1]
[HK]

Summary

Hong Kong reached a decision in the afternoon of December 24, 2003 to temporarily ban raw beef products from the United States with immediate effect. All products already on the water will not be affected. Hong Kong currently does not have any specific legislative regulations over processed meat products and animal feeds. As such, the Hong Kong government advised traders not to import from the United States processed beef and animal feed containing bone meal instead of imposing any ban on such products. Major supermarket chains still carry U.S. beef while two Japanese department stores have taken U.S. beef off the shelves.

Host Government Reaction

In the wake of the U.S. announcement of a presumptive case of BSE, the Hong Kong government decided on December 24 to "suspend the import of U.S. beef and beef products into Hong Kong temporarily as a precautionary measure". Products already on the water will not be affected. Import licenses will be issued to shipments which are proved to have been on the water prior to December 24. Since Hong Kong does not have any specific legislative regulations over processed beef products and animal feeds, the Hong Kong government has advised Hong Kong traders to stop importing processed beef products and cow bone meal used in animal feed from the United States. However, the Hong Kong government has not yet clarified its position whether it would allow shipments in if traders choose to test its policy by action.

(The Hong Kong Agriculture, Fisheries and Conservation Department has completed a survey of all animal feed importers and found that animal feed imports from the United States do not include cow bone meal. A few brands of animal feeds for cats contain bone meal from the United States, but none of the products come from the State of Washington. Therefore, animal feed from the United States is not a concern in Hong Kong, according to the Hong Kong government official.)

The Hong Kong government did not recall U.S. beef products from the market on the grounds that all beef products were imported with valid and sufficient health certificates certifying the wholesomeness of the food. Although the Hong Kong government stated clearly that shipments departing the United States after December 24 (Hong Kong date) would not be accepted, officials have exercised discretionary power to release products if Hong Kong importers showed documents proving that the U.S. exporters had consigned shipments to forwarders before the deadline. However, Hong Kong government officials have indicated that Hong Kong will not accept products which were rejected from other ports.

The importation of dairy products is not subject to temporary suspension.

The Macao government also banned all beef imports from the United States since December 26. However, they have not yet decided whether to re-open the border for products already on the water prior to December 26. Macao traders usually obtain U.S. beef supplies through Hong Kong importers. Presently, Macao traders can no longer receive U.S. beef shipments from their Hong Kong suppliers.

Market Reaction

In the area of retail sales in supermarkets, two Japanese stores pulled U.S. beef off the shelves, following after similar action taken by their counterparts in Japan. Most supermarkets will continue to sell U.S. beef while stocks last. Some have indicated to their suppliers that they are not going to renew any orders.

The overall stock of U.S. beef can last for one to two months in Hong Kong. Importers have started to look for alternate sources, primarily Australia, New Zealand and Brazil.

The BSE case was widely reported on December 25. The focus was on Hong Kong government's temporary ban on U.S. beef instead of on food safety. The follow-up news was on the contention between the United States and Canada with regard to the origin of the cow in question. In general, Hong Kong consumers have not over-reacted to the news. They see it as another BSE case similar to what recently happened in Japan and Canada.

Statistics

Hong Kong is the fifth largest market of U.S. red meats. In 2002, the United States exported \$95 million of red meat products to Hong Kong (source: Bico). Given below is the trade statistics of Hong Kong's beef imports based on the World Trade Atlas.

Hong Kong Beef Imports -Total-							
January - December							
Millions of US Dollars				% Share			% Change
Country	2000	2001	2002	2000	2001	2002	- 02/01 -
--The World--	170	147	150	100	100	100	2
United States	63	48	59	37	33	40	24
Brazil	28	27	24	17	18	16	-10
China	29	29	22	17	20	15	-24
New Zealand	19	16	16	11	11	11	-1
Australia	14	13	13	8	9	9	4
Argentina	3	4	5	2	3	3	31
Uruguay	2	2	4	1	2	2	58
Canada	5	3	3	3	2	2	0
Netherlands	2	2	1	1	1	1	-21
Ireland	0	0	1	0	0	1	424

Beef							
Quantity							
January - December							
				Market Share			% Change
Country	- KG - 2000	- KG - 2001	- KG - 2002	2000	2001	2002	- 02/01 -
--The World--	55,770,530	55,798,801	62,444,049	100%	100%	100%	12
United States	13,939,120	11,491,330	17,795,154	25%	21%	28%	55
Brazil	12,670,006	13,549,723	13,945,584	23%	24%	22%	3
China	16,119,551	17,970,065	13,357,692	29%	32%	21%	-26
New Zealand	4,550,198	3,922,606	4,262,356	8%	7%	7%	9
Australia	3,768,292	3,422,232	3,417,104	7%	6%	5%	0
Argentina	1,232,398	1,861,571	3,290,263	2%	3%	5%	77
Uruguay	757,195	1,169,219	2,263,706	1%	2%	4%	94
Ireland	51,172	256,697	1,406,334	0%	0%	2%	448
Canada	1,515,575	721,056	685,927	3%	1%	1%	-5
Denmark	62,230	319,617	548,239	0%	1%	1%	72